

97TH CONGRESS
2^D SESSION

H. R. 1526

IN THE SENATE OF THE UNITED STATES

MAY 19 (legislative day, APRIL 27), 1981

Read twice and referred to the Committee on Governmental Affairs

AUGUST 4 (legislative day, JULY 12), 1982

Committee discharged

AN ACT

To amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. This Act may be cited as the "Federal
4 Managers' Accountability Act of 1981".

5 SEC. 2. Section 113 of the Accounting and Auditing
6 Act of 1950 (31 U.S.C. 66a) is amended by adding at the end
7 thereof the following new subsection:

1 “(d)(1)(A) To ensure compliance with the requirements
2 of subsection (a)(3) of this section, internal accounting and
3 administrative controls of each executive agency shall be es-
4 tablished in accordance with standards prescribed by the
5 Comptroller General, and shall provide assurances that—

6 “(i) all obligations and costs are in compliance
7 with applicable law;

8 “(ii) all funds, property, and other assets are safe-
9 guarded against waste, loss, unauthorized use, or mis-
10 appropriation; and

11 “(iii) all revenues and expenditures applicable to
12 agency operations are properly recorded and accounted
13 for to permit the preparation of accounts and reliable
14 financial and statistical reports and to maintain ac-
15 countability over the assets.

16 “(B) The standards prescribed by the Comptroller Gen-
17 eral under this paragraph shall include standards to ensure
18 the prompt resolution of all audit findings.

19 “(2) By December 31, 1981, the Director of the Office
20 of Management and Budget, in consultation with the Comp-
21 troller General, shall establish guidelines for the evaluation
22 by agencies of their systems of internal accounting and ad-
23 ministrative control to determine such systems’ compliance
24 with the requirements of paragraph (1) of this subsection.
25 The Director, in consultation with the Comptroller General,

1 may modify such guidelines from time to time as deemed nec-
2 essary.

3 “(3) By December 31, 1982, and by December 31 of
4 each succeeding year, the head of each executive agency
5 shall, on the basis of an evaluation conducted in accordance
6 with guidelines prescribed under paragraph (2) of this subsec-
7 tion, prepare a statement—

8 “(A) that the agency’s systems of internal ac-
9 counting and administrative control fully comply with
10 the requirements of paragraph (1); or

11 “(B) that such systems do not fully comply with
12 such requirements.

13 “(4) In the event that the head of an agency prepares a
14 statement described in paragraph (3)(B), the head of such
15 agency shall include with such statement a report in which
16 any material weaknesses in the agency’s systems of internal
17 accounting and administrative control are identified and the
18 plans and schedule for correcting any such weakness are de-
19 scribed in detail.

20 “(5) The statements and reports required by this subsec-
21 tion shall be signed by the head of each executive agency and
22 transmitted to the President and the Congress. Such state-
23 ments and reports shall also be made available to the public,
24 except that, in the case of any such statement or report con-
25 taining information which is—

1 “(A) specifically prohibited from disclosure by any
2 provision of law; or

3 “(B) specifically required by Executive order to be
4 kept secret in the interest of national defense or the
5 conduct of foreign affairs,

6 such information shall be deleted prior to the report or state-
7 ment being made available to the public.

8 “(6)(A) The Inspector General of an executive agency
9 or, if no Inspector General exists for an executive agency,
10 the head of the internal audit staff, shall receive and investi-
11 gate any allegation that an employee of the agency provided
12 false or misleading information in connection with the evalua-
13 tion of the agency’s systems of internal accounting and ad-
14 ministrative control or in connection with the preparation of
15 the annual statement or report on the systems of internal
16 accounting and administrative control.

17 “(B) If, in connection with any investigation under sub-
18 paragraph (A), the Inspector General or the head of the in-
19 ternal audit staff, as appropriate, determines that there is
20 reasonable cause to believe that false or misleading informa-
21 tion was provided, he shall report that determination to the
22 head of the agency.

23 “(C) The head of the agency shall review any matter
24 referred to him under subparagraph (B) and shall take action

1 under chapter 75 of title 5, United States Code, or such other
2 disciplinary or corrective action as he deems necessary.”.

3 SEC. 3. Section 201 of the Budget and Accounting Act,
4 1921 (31 U.S.C. 11), is amended by adding at the end there-
5 of the following new subsection:

6 “(k) The President shall include in the supporting detail
7 accompanying each Budget submitted on or after January 1,
8 1982, a statement with respect to each department and es-
9 tablishment of—

10 “(1) the original amount of appropriations request-
11 ed by the Office of the Inspector General of such de-
12 partment or establishment, if any;

13 “(2) the changes made in such request by the
14 head of such department or establishment prior to the
15 submission of such request to the Director of the Office
16 of Management and Budget;

17 “(3) any further changes made in such request
18 prior to the submission of such Budget to the
19 Congress.”.

20 SEC. 4. Section 215 of the Budget and Accounting Act,
21 1921 (31 U.S.C. 23), is amended by adding at the end there-
22 of the following new sentences: “The head of each depart-
23 ment and establishment shall include with any such requests
24 for appropriations a report on the status and progress made
25 in having its accounting system approved by the Comptroller

1 General pursuant to section 112 of the Accounting and Au-
2 diting` Act of 1950. Such reports shall be included in the
3 supporting detail accompanying each Budget submitted by
4 the President on or after January 1, 1982, under section 201
5 of the Budget and Accounting Act, 1921.'".

Passed the House of Representatives May 18, 1981.

Attest: EDMUND L. HENSHAW, JR.,
Clerk.

By THOMAS E. LADD,
Assistant to the Clerk.